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Appln. No. 10/519,895 Amendment dated: 7/20/2007 Reply to Office Action of May 3, 2007

REMARKS

New claims 14 - 25 have been added in order to alternately define the invention as disclosed in the specification.

Without conceding the propriety of the Examiner's position, and solely to expedite prosecution, claims 2, 4 - 6, 11 and 13 have been cancelled without prejudice or disclaimer.

Applicants respectfully request reconsideration of the Examiner's rejection of claims 1, 7, and 12 under 35 U.S.C. §102(b). The Examiner has rejected these claims in view of the cited reference of *Nakashio et al.* (U.S. Patent Pub. No. 2002/0003684).

In the last Office Action, the Examiner has continued to assert that "It is well know in the art, and acknowledged and confirmed by the applicant . . . that NiFe is a soft magnetic metal suitable for using in magnetic shielding layers. Therefore Nakashio et al. teach at least one of the plurality of layers having the same material as at least one of the magnetic shield layers." The Examiner, in the Response to Argument section on page 7 of the last Office Action, cites to paragraph [0011] of Nakashio as supporting the assertion.

However, this portion of the reference is clearly directed to a description of the Prior Art. Specifically, the first sentence of the paragraph reads "In the conventional shielded TMR head..." The Examiner thus appears to be combining *Nakashio*'s description of the prior art with *Nakashio*'s description of the invention. Applicants submit that such a rejection is improper under 35 U.S.C. §102. Paragraph [0011] fails to disclose any application of the "conventional" materials used to the invention disclosed in the Detailed Description portion of the invention. Furthermore, the

Appln. No. 10/519,895 Amendment dated: 7/20/2007 Reply to Office Action of May 3, 2007

remainder of the *Nakashio* reference clearly teaches away from the use of the conventional materials disclosed in Paragraph [0011].

Specifically, and as set forth in the last Amendment, *Nakashio* provides that "the fixed magnetization layer 31 has a three-layer structure in which for example, an NiFe layer..., IrMn layer... and a CoFe layer are laminated one on the other..." Nakashio, paragraph 88. *Nakashio* further provides, "the lower and upper shielding layers 24 and 29 are formed each from an amorphous lamination layer of CoZrNbTa..." *Nakashio*, paragraph 97. Thus, *Nakashio* teaches forming of layer 31 from a different material than the material from which the magnetic shielding layers 24, 29 are formed.

Applicants note that the Court of Appeals for the Federal Circuit has held that "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Here, the Nakashio reference fails to disclose any embodiment that utilizes a same material in both the shielding and magnetic memory layers. If the Examiner wishes to make an obviousness assertion regarding the combination of the art disclosed in the Background and in the Detailed Description portions of the Nakashio reference, Applicants note that such a rejection would arise under 35 U.S.C. §103, not §102.

For at least the reason that *Nakashio* et al does not teach each and every aspect of the claimed invention as required by 35 U.S.C. 102(b), Applicant asserts that the Examiner's rejection of claims 1, 7, and 12 is improper and respectfully requests that the rejection be withdrawn.

Appln. No. 10/519,895 Amendment dated: 7/20/2007

Reply to Office Action of May 3, 2007

Furthermore, and as amended, Applicants submit that the *Nakashio* reference fails to disclose, teach, or suggest wherein magnetic non-volatile memory comprises a tunnel-magneto-resistance element, a word line, a bit line, and a selection transistor, the selection transistor being formed at least partially in a silicon substrate, and wherein a first magnetic shield layer made from a soft magnetic metal is formed over the bit line of the magnetic non-volatile memory, and a second magnetic shield layer made from a soft magnetic metal is formed over the silicon substrate. For this reason also, Applicant asserts that the Examiner's rejection of claims 1, 4, 7, and 12 is improper and respectfully requests that the rejection be withdrawn.

Claims 3, 8-9, 10, and 13 were rejected under 35 U.S.C. 103(a). Applicant asserts that for at least the reasons set forth above regarding claims 1, 4, 7m and 12, claims 3, 8-9, 10, and 13 are also allowable. Applicant respectfully requests that the Examiner withdraw the rejections of claims 3, 8-9, 10, and 13.

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